Impact of Transformational Leadership on Employees' Reaction to Organizational Change: The Mediation Role of Innovative Work Behavior and Effective Communication on IT Sector Employees

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DOI: https://dx.doi.org/10.47772/IJRISS.2025.908000229

Received: 16 May 2025; Accepted: 22 May 2025; Published: 04 September 2025

ABSTRACT

This research explores the impact of transformational leadership on employees' reactions to organizational change, focusing on the mediating roles of innovative work behavior and effective communication in the IT sector. The study aims to investigate how transformational leadership influences employees' attitudes towards change, while considering how innovative work behavior and communication practices further shape their responses. Specifically, the research examines how leadership styles foster employee innovation and enhance communication, which may lead to greater acceptance and adaptation to organizational changes. A thorough literature review provides a conceptual framework linking transformational leadership, innovative work behavior, and effective communication, grounded in theories of leadership and organizational change. The research adopts a quantitative approach, utilizing surveys to gather data from employees in the IT sector. By analyzing the relationships between leadership, communication, and innovation, this study aims to offer valuable insights for organizational leaders and HR practitioners in managing change effectively. The findings will contribute to the understanding of how leadership and communication strategies can be leveraged to improve employee reactions to change, ultimately fostering a more adaptable and innovative organizational environment.

Keywords: Transformational Leadership, Organizational Change, Innovative Work Behavior Effective communication, IT Sector Employees, Employee Reactions

INTRODUCTION

Transformational leadership has evolved to be one of the most researched theories within organizational studies, especially in industries that have a high demand for innovation and adaptation, such as the IT industry. Transformational leadership is inspiring and motivating employees beyond their interest for the benefit of the organization through encouraging personal development in creating an innovative work culture. As a result, over the past years, the organization of emotional attachment by employees has become one of the important research concerns that focus on how transformational leadership influences such employee outcomes, especially in industries such as information technology, where continuous changes face rapid technological advancement. IT is one of the fields that are subject to rapid technological changes and high competition as well. For an effective leader in this field, managing changes alone will not be sufficient; they need to motivate and support innovations too. Comparing the different styles of leadership among themselves, the Transformational leadership style comes out to be one of the most efficient modes to motivate and raise employees to handle and manage the rapid technological change within an organization itself. 'Transformational leadership is an approach in which a leader inspires and motivates team members to create positive changes within an organization. This leadership style can increase group morale, lead to rapid innovation, improve conflict resolution, decrease turnover, and foster a sense of ownership amongst a team. (Harrity, 2024). With the rapid technological changes and innovations in the IT industry, transformational leadership in this scenario will be of great help. This kind of leadership is going to

benefit industries that face high attrition rates and immense pressure at work.

The present study examines the impact of transformational leadership on main major outcome. That is Reaction to organizational change through innovative work behavior and effective communication among employees of the IT sector. This focus is highly relevant, considering the dynamic and volatile nature of the IT industry where leadership determines success or failure. Employees' reaction to organizational change is a multifaceted construct that encompasses their 13 cognitive, emotional, and behavioral responses to shifts within an organization (Piderit, 2000). In the fast-moving context created by continuous technological advancement and global competition, the reactions of employees become fundamental in organizational transformation processes. A recent definition highlights employees' reaction to change as the degree to which individuals accept, adapt, and engage with or oppose organizational shifts, influenced by their perceptions of the change's impact on their roles, job security, and prospects (Voet, 2019). And employees who react positively to change often demonstrate adaptability, innovation, and commitment, contributing to the organization's long-term success. Transformational leadership has been shown to play a pivotal role in shaping these reactions by reducing resistance and fostering an environment that promotes trust, open communication, and a shared vision for the future (Bass & Riggio, 2006). Leaders who use communication effectively and stimulate innovative behavior can reduce negative emotional responses associated with the change. In this way, employee attitudes towards change are transformed and their level of engagement with the process of change is deepened. In this manner, employees' reactions to organizational change are deeply connected with the leading styles and the organizational climate in which the change occurs, especially in innovation-driven industries such as IT.

Objectives of the study

General Objective

- The main objective of the study is to identify the influence of transformational leadership on employees' reactions to organizational change in the IT sector, with a focus on the mediating roles of innovative work behavior and effective communication.

Specific Objectives

- To identify the direct effect of transformational leadership on employees' reactions to organizational change.
- To identify the impact of transformational leadership on innovative work behavior.
- To identify the influence of transformational leadership on effective communication.
- To identify the effect of innovative work behavior on employees' reactions to organizational change.
- To identify the impact of effective communication on employees' reactions to organizational change.
- To identify the mediating role of innovative work behavior in the relationship between transformational leadership and employees' reactions to organizational change.
- To identify the mediating role of effective communication in the relationship between transformational leadership and employees' reactions to organizational change

LITERATURE REVIEW

Transformational Leadership

Transformational leadership is a leadership style that can inspire positive changes in those who follow. Transformational leaders are generally energetic, enthusiastic, and passionate. Not only are these leaders concerned and involved in the process, but they are also focused on helping every member of the group succeed. (Cherry, 2024) Furthermore, there are main four key components of transformational leadership. Such as idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Bass &

Avolio, 1994) Supports open and honest communication, empowers people to reach new levels of personal development, fosters a sense of responsibility and loyalty in participants, allows for innovation, and builds a culture of mutual trust (Courtney, 2022) are positive examples of transformational leadership. (Northouse, 2021) defines transformational leadership as a process that changes and transforms individuals and social systems. This definition emphasizes the reciprocal nature of the leader follower relationship, highlighting how both parties influence one another's growth and development.

Organizational workload

Innovative work behavior refers to the generation, promotion, and implementation of new ideas within the workplace. In the IT sector, innovation is critical for maintaining competitiveness, as companies must continually improve their products, services, and processes to keep up with technological advancements. Transformational leadership has been shown to have a significant impact on fostering innovative behavior among employees, which in turn enhances their commitment and support for organizational change. (Jaiswal and Dhar , 2015) examined the role of innovative behavior as a mediator in the relationship between transformational leadership and employee outcomes in the IT sector. Their study found that transformational leaders who provide intellectual stimulation and encourage creativity promote higher levels of innovative behavior among employees. This innovation leads to increased engagement with change initiatives, as employees see change as an opportunity to contribute to the organization's success. Employees who engage in innovative behavior are more likely to be affectively committed to the organization and to support changes, as they feel empowered to make a meaningful impact.

Innovative Work Behavior

Organizational career growth opportunities can have a significant impact on employees' migration intentions within a company. When employees perceive limited or stagnant growth prospects within their current organization, they may consider seeking new opportunities elsewhere. On the other hand, when employees see clear paths for advancement, development, and fulfilment of their career goals, they are more likely to remain with their current employer. Numerous studies have explored the relationship between career growth opportunities and employees' migration intentions. When employees perceive a lack of career development opportunities, they are more likely to have higher turnover intentions. Chen, C.-F., & Wang, Y.-C. (2017).

Effective Communication

Effective communication is a critical component of transformational leadership, enabling leaders to articulate a clear vision, provide feedback, and build trust with employees. Communication fosters understanding and reduces resistance to change by ensuring that employees are well informed, and their concerns are addressed (Barrett, 2022) Studies have shown that effective communication mediates the relationship between transformational leadership and positive employee attitudes, such as commitment and support for change (Men, 2014) Numerous studies support the positive impact of effective communication on organizational outcomes. For example, a study by (Men and Stacks, 2013) found that effective internal communication practices were positively correlated with employee job satisfaction and organizational commitment. Similarly, research by (Downes and Krog, 2005) highlights that clear communication channels contribute to better decision-making and problem-solving within organizations. Effective communication is another key factor that mediates the relationship between transformational leadership and employee outcomes. Transformational leaders are known for their ability to communicate a clear and compelling vision for the future, which helps employees understand the rationale behind organizational changes and increases their commitment to the organization. (Men and Yue, 2015) examined the role of effective communication in enhancing employee commitment and support 25 for change in IT organizations. Their study found that transformational leaders who communicate openly and frequently with their employees are more successful in building trust and fostering a sense of shared purpose. This communication leads to higher levels of affective commitment, as employees feel more connected to the organization and are more likely to support changes when they understand the reasons behind them. Similarly, (Mathe and Slevitch, 2018) highlighted the importance of effective communication during periods of change.

Employee reaction to Organizational Change

Employee reactions to organizational change have increasingly become one of the key areas of inquiry in organizational behavior, as companies find that they are forced to adapt constantly to dynamic market conditions, technological changes, and consumer preferences. The ability to understand how employees react to change is important for leaders and managers because these can effectively make the change initiative a relative success or failure. (Holt et al., 2007) describes employee reactions to organizational change as individual responses that reflect how employees perceive, interpret, and evaluate the changes occurring within their organization. This definition consequently focuses specific attention on perception and demonstrates that how employees perceive the change may influence their responses to the change. Positive perceptions of change foster supportive behaviors, while negative perceptions lead to resistance and disengagement. In a more recent model, several lines of inquiry have focused in on the affective nature of the employee responses to change. For instance, (van Dam et al., 2008) define these reactions as emotional responses triggered by organizational change initiatives, which can manifest as fear, anxiety, uncertainty, or enthusiasm." In here they try to illustrate the affective dimension of reactions, recognizing that employees' feelings about change can strongly influence their overall response. Emotional reactions can play a crucial role in determining whether employees engage with the change process or resist it.

Hypotheses of the Study

According to the transformational leadership-organizational change acceptance relationship, which was found to be positive, it is suggested that with high perceived transformational leadership, the resistance to change would be less, though commitment and involvement in the process of change would be more. Transformational leaders who clearly communicate a compelling vision for the future, offer personalized support, and inspire employees through motivation and intellectual stimulation encourage a smoother transition during organizational change (Farr and Ford, 1990) By fostering a sense of shared purpose and enhancing employees' confidence in their abilities to contribute meaningfully, transformational leaders reduce uncertainty and anxiety often associated with organizational change (Braun et al., 2020) When employees trust their leaders and believe in their commitment to collective success, they are more likely to view change positively and participate actively in the change initiatives (Kara et al., 2021).

H1: Transformational Leadership has a significant impact on Employee’s Reaction to organizational change.

Transformational leadership plays a crucial role in fostering effective communication within organizations, which is essential for promoting collaboration, trust, and alignment with organizational goals. (Bass & Avolio, 1994) argue that transformational leaders use inspirational motivation to clearly articulate a compelling vision, ensuring that employees understand the organization’s direction and goals. This type of leader not only communicates the larger mission but also ensures that employees feel personally connected to it, increasing engagement and reducing misunderstandings. Through individualized consideration, transformational leaders practice active listening, showing genuine concern for employees’ needs and feedback. This enhances two-way communication, where employees feel comfortable sharing their ideas and concerns, leading to improved transparency and a more collaborative workplace. Intellectual stimulation encourages open dialogue and the exchange of innovative ideas, empowering employees to contribute creatively to problem-solving and decision-making processes. Research by (Men and Stacks, 2014) found that transformational leadership significantly improves internal communication quality by fostering a culture of openness and engagement. Leaders who are transparent in their communication and demonstrate trust-building behaviors encourage employees to voice opinions, creating a more inclusive communication environment.

H2: Transformational Leadership has a significant impact on Effective Communication

Transformational leadership significantly influences innovative work behavior by fostering a supportive environment that encourages creativity, risk-taking, and the pursuit of new ideas. According to (Bass & Avolio, 1994) transformational leaders inspire their employees through intellectual stimulation, which challenges employees to think outside the box, question the status quo, and develop innovative solutions. By promoting a culture where experimentation is valued, transformational leaders enhance employees' willingness to engage in

creative and innovative behaviors. Idealized influence plays a key role in modeling openness to new ideas. When transformational leaders demonstrate a strong commitment to innovation and act as role models for taking calculated risks, employees are more likely to emulate these behaviors. Inspirational motivation further strengthens this by instilling a shared vision that emphasizes innovation as a critical organizational goal, making employees more inclined to pursue innovative work practices to achieve that vision.

H3: Transformational Leadership has a significant impact on Innovative Work Behavior

A positive relationship between effective communication and the positive reactions of employees to organizational change suggests that when employees perceive transparency, clarity, and consistency in the communication emanating from leadership during organizational change that is being contemplated or underway, their resistance lessens, and their acceptance of that change grows. Effective communication, which includes timely updates, clarification of change goals, and addressing concerns, helps reduce uncertainty and fear, fostering a sense of stability and trust among employees (Sonenshein & Dholakia , 2012) Leaders who engage in open and two-way communication encourage employees to voice their opinions and concerns, making them feel involved and heard, which increases their commitment to the change process (Rafferty & Jimmieson, 2017) Employees who understand the rationale behind organizational changes are more likely to perceive these changes positively and align their behavior with the new direction of the company (Men & Bowen, 2017) When communication is frequent and targeted, it helps employees develop a sense of control over the situation, reducing the ambiguity often associated with change and promoting greater buy-in (Lewis, 2019)

H4: Effective Communication has a significant impact on Employee's Reaction to organizational change

A positive correlation between innovative work behavior and positive employee reactions to organizational change suggests that the more an employee exhibits behaviors of creativity, problem-solving, and developing new ideas, the better he or she can adapt to organizational change. Employees who are encouraged to experiment with new approaches and generate novel solutions during change initiatives are less likely to resist change and more likely to actively contribute to its success (Jong and Hartog, 2010) This innovative work behavior empowers employees to view change as an opportunity for growth, rather than a disruption, enhancing their overall acceptance and commitment to the change process (Carmeli et al., 2006) Organizations that foster a culture of innovation, where employees are rewarded for taking initiative and thinking outside the box, experience lower levels of resistance to change (Amabile and Pratt, 2016) When employees perceive that their contributions to the innovation process are valued and supported, they are more likely to view organizational change as aligned with their personal and professional development (Janssen, 2000) This connection between innovative work behavior and positive change reactions is further strengthened by leaders who encourage experimentation and create an environment of psychological safety, reducing the fear of failure (Kessel et al., 2012) Innovative work behavior also plays a mediating role in how employees perceive organizational change. Employees who feel they have the autonomy to innovate during change processes are more likely to demonstrate proactive behavior and take ownership of the change effort, leading to greater overall success of the transformation (Messmann and Mulder, 2014)

H5: Innovative Work Behavior has a significant impact on Employee's Reaction to organizational change.

Transformational leaders inspire employees by articulating a compelling vision, fostering trust, and empowering individuals to exceed expectations (Bass & Riggio, 2006) These behaviors encourage employees to adopt innovative approaches to problem-solving and change implementation. Innovative Work Behavior, which involves generating, promoting, and realizing new ideas, becomes a crucial mechanism through which transformational leadership influences employees' attitudes toward organizational change (Janssen, 2000) When transformational leaders create an environment of psychological safety, challenge the status quo, and reward creativity, employees feel motivated to actively engage in innovation, which allows them to approach organizational change as an opportunity rather than a threat (Amabile, 1988) Innovative work behavior helps employees find novel ways to adapt to new systems, processes, or structures, reducing their resistance to change and increasing their acceptance and enthusiasm for it. These innovative engagements enables employees to align their skills and efforts with the organization's changing needs, fostering a sense of ownership and agency (Scott and Bruce, 1994) Employees with high Innovative work behavior are more likely to consider organizational

change as an opportunity for growth and enhancement, rather than a disturbance. Their proactive engagement serves as a bridge between the inspiration from transformational leadership and their own positive reactions to change. (Afsar et al., 2019)

H6: Employees' Innovative Work Behavior mediates the positive relationship between Transformational Leadership and Employee's Reaction to organizational change.

The core of effective communication involves clarity, transparency, and consistency regarding the purpose, rationale, and expected outcomes of organizational change. Transformational leaders use 39 communication to articulate their vision and ensure employees feel informed and involved in the change process (Lewis, Organizational change: Creating change through strategic communication. Wiley., 2019) When leaders actively listen to employee concerns and provide timely updates, they foster a culture of openness and psychological safety, which strengthens employees' trust and emotional engagement (Rafferty & Jimmieson, 2017) This two way communication process helps employees feel that their perspectives are valued, which enhances their commitment to the change initiative (Men & Bowen, 2017) The more clearly employees understand the goals of the change and the benefits to the organization and themselves, the more willing they will be to support the transformation. By knowing the goals and the exact benefits of change for themselves and for the organization, the likelihood increases that employees would support this kind of transformation. (Sonenshein and Dholakia, 2012)

H7: Employees' Effective Communication mediates the positive relationship between Transformational Leadership and Employee's Reaction to organizational change.

Conceptual Framework of the Study

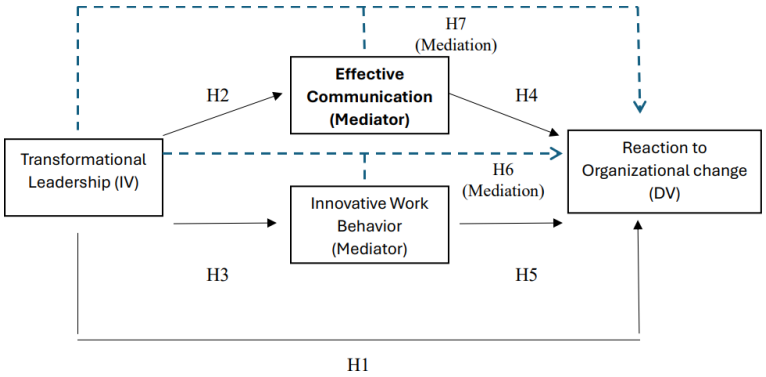

Figure 01: Conceptual Framework for the Study

Population, Sample and Sampling Technique

The population is the total group of people, events, or things from which the sample might be drawn and to which the researcher might like to generalize the results (Saunders et al., 2019) This target population will be employees working in IT companies, at IT Industry. As per the active list of employees in the industry, there are more than 100,000 employees currently working in the industry and all of them are taken as the population to conduct this study.

A sample is a subset of the population and a representative sample, one that has the same characteristics as the population, is the goal of most research studies (Akhtar and Baumann, 2010) Current study applied the Systematic snowball sampling method for data collection which helps to represent of all subgroups can be ensured. Sample size is according to the Morgan Table 384.

Measurement Scales

The dependent variable: Employee reaction to organizational change was assessed using the measurement scale developed by (Oreg, 2006) with adaptations for the organizational change context. All the items are anchored on a five-point Likert scale where 1 = strongly disagree and 5 = strongly agree. No reverse-coded items are included

in the scale. Sample items include: "I believe the changes introduced will benefit the organization.", "I feel anxious about the recent changes in the organization.", "I am motivated to adjust my work style to align with the changes.", "I am resistant to the new policies introduced." (reverse-coded), "I trust the organization's leadership to guide us through the changes."

The independent variable: The Transformational Leadership was adopted from Multifactor Leadership Questionnaire (MLQ-5X) by (Bass and Avolio, 1994) All the items are anchored on a five-point Likert scale where 1 = strongly disagree and 5 = strongly agree. No reverse-coded items 49 are included in the scale. Sample items include: "My leader communicates a clear and inspiring vision for the future.", "My leader encourages me to develop new ideas and solutions.", "My leader makes me feel confident in achieving organizational goals.", "My leader considers my individual needs and supports my personal development." "My leader challenges me to think creatively about problem-solving."

The Moderating Variable: The scale of Innovative work behavior was adopted from Janssen's Innovative Work Behavior Scale (2000), focusing on creativity and implementation. "I often search for new ways to improve work processes.", "I discuss new ideas with colleagues to gain their support.", "I take the initiative to implement innovative solutions to work problems.", "I contribute to experimenting with new technologies or practices.", "I collaborate to apply innovative ideas effectively in my tasks." A five-point Likert scale [ranging from 1 (strongly agree) to 5 (strongly disagree)] was used to measure the scale items.

The Moderating Variable: The scale of Effective communication was adapted from the Communication Satisfaction Questionnaire (CSQ) by (Clampitt and Downs, 1993) "Leadership provides clear and timely updates about organizational changes.", "I feel my opinions are valued and considered during discussions about change.", "There is a transparent flow of information regarding the change process.", "My manager addresses my concerns effectively during times of change.", "The communication strategies used during change are adequate.". A five-point Likert scale [ranging from 1 (strongly agree) to 5 (strongly disagree)] was used to measure the scale items.

Research Design

The positivist philosophy has relevance to this research study, as it defines the relevant attitude required in developing objective knowledge. This research investigates pre-existing hypotheses related to transformational leadership, employee reactions towards organizational change, and the mediating roles of innovative work behavior and effective communication. It is accepted here that all knowledge gathered through the positivist observation of measurable phenomena can be adopted to develop new propositions and generalize findings across similar settings in the IT industry.

Data Analysis and Results Reliability & Validity Statistics

Table 01: Reliability & Validity Statistics

Variable	No. Of items	Cronbach Alpha	KMO Coefficient	Bartlett's Test [Chi- Square]	Sig.
Transformational Leadership	33	0.895	0.814	4623.967	0.0000
Innovative Work Behavior	9	0.744	0.709	729.531	0.0000
Effective Communication	6	0.708	0.757	383.727	0.0000
Employee Reactions to Organizational change	7	0.784	0.763	754.866	0.0000

Source: Survey Data (2024)

As depicted in table 1, Cronbach alpha of internal consistency coefficients of dimensions of the dependent

variables and 2 mediators and one independent variable are greater than 0.6 indicating that multi-item measurement scales are reliable enough and have no bias.

Summary of Correlation Analysis

Table 02: Results of the correlation analysis

Variable	Pearson Correlation	Relationship
Transformational Leadership & Employee Reaction to Organizational Change	.334	Positive Correlation
Transformational Leadership & Effective Communication	.366	Positive Correlation
Transformational Leadership & Innovative Work Behavior	.524	Positive Correlation
Effective Communication & Employee Reaction to Organizational Change	.412	Positive Correlation
Innovative Work Behavior & Employee Reaction to Organizational Change	.530	Positive Correlation
Transformational Leadership & Employee Reaction to Organizational Change & Innovative Work Behavior	.530	Positive Correlation
Transformational Leadership & Employee Reaction to Organizational Change & Effective communication	.412	Positive Correlation

Source: Survey Data (2024)

Simple Regression Analysis

Table 03: Results of the regression analysis

	β	t	Sig.
TRL & EROC	.474	7.090	.000
TRL & EFC	.518	7.876	.000
TRL & IWB	.602	12.307	.000
EFC & EROC	.414	9.061	.000
IWB & EROC	.655	12.518	.000
IWB & TRL & EROC	.110	1.561	.000
	.605	9.867	.000
EFC & TL & EROC	.300	4.418	.000
	.336	7.008	.000

Source: Survey Data (2024)

The beta coefficient indicates the strength and direction of the relationship, the t-statistic assesses the significance of the relationship.

FINDINGS AND DISCUSSIONS

Transformational Leadership and Employee's Reaction to organizational change.

The current study has identified after the comparison of the findings with previous studies, it confirmed that there is a positive impact of Transformational Leadership on Employee's Reaction to organizational change. (r = 0.334 and Sig. 2tailed 0.000). Moreover, a significant impact was found between Transformational Leadership and Employee's Reaction to organizational change (R square 0.111 and sig 0.000). H1 was accepted which mentioned that there is a significant relationship between Transformational Leadership and Employee's Reaction to organizational change. According to the findings of the current study, when there is a higher use of Transformational Leadership style, it will increase employee positive reactions of the organization. Therefore, to retain and increase top talents, management must take necessary actions to distribute Transformational Leadership style among the employees. To reduce the reduce negative reactions and to increase positive reactions, management can improve strategies like, Stimulate Innovations and Creativity, encourage open and transparent communication, Foster a compelling vision etc.

Transformational Leadership and Effective Communication

This research discovered that there is a Positive impact of Transformational Leadership on Effective Communication (r = 0.366, Sig. = 0.000). Therefore, H2 was accepted which there is a significant relationship between Transformational Leadership on Effective Communication. It senses that when an organization has an enough transformational leadership practice. It will increase good effective communications among the employees. For that, we can promote collaborating problem solve approaches, use inspirational massages etc.

Transformational Leadership and Innovative Work Behavior

This study found out that there is Positive impact of Transformational Leadership on Innovative Work Behavior (r= 0.524, Sig. = 0.000). Therefore, H3 was accepted which there is a significant relationship between Transformational Leadership on Innovative Work Behavior. It senses that when an organization has an enough transformational leadership practice. It will increase new and innovative behavior of employee's work. For that, we can empower employees, provide personalized support and recognize and reward for innovations etc.

Effective Communication and Employee's Reaction to organizational change

This research discovered that there is a Positive impact of Effective Communication and Employee's Reaction to organizational change (r = 0.412, Sig. = 0.000). Therefore, H4 was accepted which there is a significant relationship between Effective Communication and Employee's Reaction to organizational change. It senses that when an organization has an effective Communication. It will help to take a better and positive reactions of employees by encouraging two-way communication, celebrating achievements and showing empathy.

Innovative Work Behavior and Employee's Reaction to organizational change

This study found out that there is Positive impact of Innovative Work Behavior and Employee's Reaction to organizational change (r = 0.530, Sig. = 0.000). Therefore, H5 was accepted which there is a significant relationship between Innovative Work Behavior and Employee's Reaction to organizational change. It senses that when an organization has higher innovative related behaviors. It will increase employees' positive reactions to change the organization.

Employees' Innovative Work Behavior, Transformational Leadership and Employee's Reaction to organizational change.

This research identified that there is a Positive impact of Employees' Innovative Work Behavior, Transformational Leadership and Employee's Reaction to organizational change. (r = 0.534, Sig. = 0.000).

Therefore, H6 was accepted which there is a significant relationship between Employees' Innovative Work Behavior, Transformational Leadership and Employee's Reaction to organizational change. It emphasizes that an organization can significantly influence employees to enhance their innovative work behavior and reactions toward organizational change by fostering transformational leadership. Transformational leaders inspire employees through intellectual stimulation, empowerment to think creatively, and by providing a clear vision of innovation.

Employees' Effective Communication, Transformational Leadership and Employee's Reaction to organizational change.

This research found that there is a Positive impact of Employees' Effective Communication, Transformational Leadership and Employee's Reaction to organizational change. (r = 0.457, Sig. = 0.000). Therefore, H7 was accepted which there is a significant relationship between Employees' Effective Communication, Transformational Leadership and Employee's Reaction to organizational change. It indicates that with effective communication coupled with transformational leadership, an organization is able to elicit more and better responses from employees in the light of organizational change. This means that transformational leaders use effective communication by encouraging two-way dialogues, clarity of change, and transparency. By celebrating achievements, showing empathy, and aligning people with a shared vision, this approach decreases uncertainty and builds trust.

Practical Implications

Organizational implication regarding employees' reactions to change, considering the mediating roles of innovative behavior and effective communication, involves the integration of transformational practices into the development of leadership strategies. Based on the findings which we have identified from this study, it is imperative to create a leadership approach based on building trust, opening communications, and driving innovation to ensure successful organizational transformations within the IT sector. Leaders must encourage a culture of innovation by stimulating the intellect and allowing opportunities to experiment with new ideas. Innovation hubs, brainstorming sessions, and rewards systems for creative ideas are all ways of nurturing innovative behavior in employees. Moreover, transformational leaders can thus develop problem solving and creative thinking abilities among employees through training programs and align individual growth with that of the organization. The study has underlined how effective communication is to the control of reactions to change. Clarity, consistency, and two-way communication techniques that reduce ambiguity about the change vision are advocated for organizations. Employees can feel more valued, acknowledged, and up to date with the changes taking place if they have access to personalized feedback methods and opportunity for issues to be addressed. 86 This implies that organizational leadership and HR departments should collaborate in designing and implementing frameworks to support these practices. For example, the integration of leadership development programs within organizational strategy can be assured so that managers can show transformational qualities. Secondly, it is worth mentioning that an organization should establish necessary feedback loops for the ongoing adaptation and fine-tuning of the innovation and communication strategy, using those loops as an essential upgrade toward continuous improvement, changing along with employee needs. According to the research, transformational leadership will play a significant role in IT firms in managing change and boosting employee engagement and productivity. By using these strategies, companies may foster a workforce that is resilient and can eventually flourish in dynamic circumstances brought about by developing technology, while also decreasing resistance to change and boosting trust.

Limitations

Even though the current study has presented significant implications, some limitations must be considered. The primary goal was to examine the impact of transformational leadership on employees' reactions to organizational change in the IT sector, with innovative behavior and effective communication as mediators. However, the study was limited to a specific industry, making the findings less generalizable to other sectors. Furthermore, the study assumed that all other contextual factors remained constant, overlooking potential influences such as organizational culture or external economic conditions. Additionally, data collection relied mainly on a structured questionnaire, restricting respondents' feedback to predefined questions and excluding broader perspectives on

leadership and organizational change.

Directions for future researchers

Based on the limitations identified in the study, a few directions for future researchers are proposed. Expanding the research beyond the IT sector to include multiple industries can provide a broader understanding of how transformational leadership influences employee reactions to organizational change. Future studies could also adopt a longitudinal design to capture the evolving impact of leadership over time during organizational transformations. Incorporating mixed method approaches, such as interviews or focus groups, would offer deeper insights into employees' perceptions and experiences. Additionally, exploring external factors, such as cultural and economic influences, could provide a more holistic view of the mediating roles of innovative behavior and effective communication in diverse contexts.

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